

IN THE CLAIMS

1. (currently amended) A method for determining roll rates for a group of non-stationary asset-based loans utilizing a computer, the group of non-stationary asset-based loans included within a distressed loan portfolio, said method comprising the steps of:

(a) predicting a payment behavior for a borrower of a non-stationary asset-based loan included within a distressed loan portfolio utilizing a collections model wherein the payment behavior includes whether the borrower will submit a timely payment and a payment amount relative to a contractual delinquency for the associated loan, wherein the collections model is based on historical payment information of the borrower and a plurality of collection strategies for collecting payment from the borrower, and wherein the non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans;

(b) initiating at least one of the plurality of collection strategies with respect to the borrower and the payment of the associated loan;

(c) analyzing the borrower's payment behavior after initiating the at least one collection strategy;

(d) comparing the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the borrower;

(e) updating the collections model based on the borrower's payment behavior comparison;

(f) calculating with a computer an amount generated and expenses incurred from repossessing [[the]] a non-stationary asset used as collateral for the borrower's loan utilizing a

re-marketing model, the re-marketing model further calculates a probability that an event will occur impacting payment of the borrower's loan;

(g) generating delinquency moving matrices that include the borrower's loan to facilitate predicting roll rates;

(h) predicting a roll rate into a next level of delinquency for the borrower and the associated loan using the updated collections model, the calculated amount generated and expenses incurred, and the calculated probability that an event will occur that are calculated by the re-marketing model; and

(i) repeating steps (a)-(h) for each loan included within the group of non-stationary asset-based loans.

2. (original) A method according to Claim 1 wherein said step of predicting a roll rate into a next level of delinquency further comprises the step of determining estimates with respect to payments.

3. (original) A method according to Claim 1 wherein said step of generating delinquency moving matrices further comprises the step of assigning probability distributions to loan delinquency assumptions.

4. (previously presented) A method according to Claim 1 wherein said step of predicting a roll rate into a next level of delinquency further comprises the step of analyzing loans that roll forward into a next period of delinquency, due to non-payment.

5. (previously presented) A method according to Claim 4 wherein said step of analyzing loans that roll forward into a next period of delinquency further comprises the step of calculating a delinquency value that has increased from a first period to a second period.

6. (previously presented) A method according to Claim 1 wherein said step of predicting a roll rate into a next level of delinquency further comprises the step of analyzing loans that roll back one or more periods of delinquency, due to extra received payment.

7. (currently amended) A system for determining a roll rate of a distressed loan portfolio including non-stationary asset based loans, said system comprising:

at least one computer;

a server configured with a roll rate determination model including a collections model and a re-marketing model, said server configured to:

- (a) predict, by accessing the collections model, a payment behavior for a borrower of a non-stationary asset based loan included within the distressed loan portfolio wherein the payment behavior includes whether the borrower will submit a timely payment and a payment amount relative to a contractual delinquency for the associated loan, wherein the collections model is based on historical payment information of the borrower and a plurality of collection strategies for collecting payment from the borrower, and wherein the non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans;
- (b) analyze the borrower's payment behavior after initiating at least one of the plurality of collection strategies;

- (c) compare the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the borrower;
- (d) update the collections model based on the borrower's payment behavior comparison;
- (e) calculate, by accessing the re-marketing model, an amount generated and expenses incurred from repossessing [[the]] a non-stationary asset used as collateral for the borrower's loan, the re-marketing model further calculates a probability that an event will occur impacting payment of the borrower's loan;
- (f) generate delinquency moving matrices that include the borrower's loan to facilitate predicting roll rates;
- (g) predict whether the borrower's loan will roll forward into a next classification of delinquency using the updated collections model, the calculated amount generated and expenses incurred, and the calculated probability that an event will occur that are calculated by the re-marketing model; and
- (h) repeat steps (a)-(g) for each loan included within the loan portfolio; and

a network connecting said computer to said server to enable said computer to communicate with said server.

8. (original) A system according to Claim 7 wherein said server configured to determine estimates with respect to payments.

9. (original) A system according to Claim 7 wherein said server configured to assign probability distributions to loan delinquency assumptions.

10. (previously presented) A system according to Claim 7 wherein said server is configured to analyze the loans that roll forward into a next period of delinquency, due to non-payment.

11. (previously presented) A system according to Claim 10 wherein said server is configured to calculate a delinquency value that has increased from a first period to a second period for the loans that roll forward into the next period of delinquency.

12. (previously presented) A system according to Claim 7 wherein said server is configured to analyze the loans that roll back one or more periods of delinquency, due to extra received payment.

13. (previously presented) A system according to Claim 7 wherein said server is configured to predict the loans that will roll forward into an n-month delinquency, wherein n is an integer greater than zero and represents a number of months for which one of the customers has been delinquent in making a payment.

14. (original) A system according to Claim 7 wherein said network is at least one of a WAN or a LAN.

15. (currently amended) A computer for determining a roll rate of a distressed loan portfolio including non-stationary asset-based loans, said computer comprising a processor and programmed to:

(a) predict, by accessing a collections model, a payment behavior for a borrower of a non-stationary asset-based loan included within the distressed loan portfolio wherein the payment behavior includes whether the borrower will submit a timely payment and a payment

amount relative to a contractual delinquency for the associated loan, wherein the collections model is based on historical payment information of the borrower and a plurality of collection strategies for collecting payment from the borrower, and wherein the non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans;

(b) analyze the borrower's payment behavior after initiating at least one of the plurality of collection strategies;

(c) compare the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the borrower;

(d) update the collections model based on the borrower's payment behavior comparison;

(e) calculate using a re-marketing model an amount generated and expenses incurred from repossessing ~~[[the]]~~ a non-stationary asset used as collateral for the borrower's loan, the re-marketing model further calculates a probability that an event will occur impacting payment of the borrower's loan;

(f) generate delinquency moving matrices that include the borrower's loan to facilitate predicting roll rates;

(g) predict whether the borrower's loan will roll forward into a next classification of delinquency using the updated collections model, the calculated amount generated and expenses incurred, and the calculated probability that an event will occur that are calculated by the re-marketing model; and

(h) repeat steps (a)-(g) for each loan included within the loan portfolio.

16. (original) A computer according to Claim 15 programmed to determine estimates with respect to payments.

17. (original) A computer according to Claim 15 programmed to assign probability distributions to loan delinquency assumptions.

18. (previously presented) A computer according to Claim 15 wherein said computer is programmed to analyze the loans that roll forward into a next period of delinquency, due to non-payment.

19. (previously presented) A computer according to Claim 18 wherein said computer is programmed to calculate a delinquency value that has increased from a first period to a second period for the loans that roll forward into a next period of delinquency.

20. (previously presented) A computer according to Claim 15 wherein said computer is programmed to analyze the loans that roll back one or more periods of delinquency, due to extra received payment.

21. (previously presented) A computer according to Claim 15 wherein said computer is programmed to predict the loans that will roll forward into an  $n$ -month delinquency, wherein  $n$  is an integer greater than zero and represents a number of months for which one of the customers has been delinquent in making a payment.

22. (previously presented) A method according to Claim 1 wherein said step of repeating steps further comprises predicting the loans in the group of loans that will be rolled forward into an  $n$ -month delinquency, wherein  $n$  is an integer greater than zero and represents a number of months for which one of the customers has been delinquent in making a payment.

23. (previously presented) A method according to Claim 1 wherein said step of calculating with a computer further comprises calculating with a computer, utilizing the re-marketing model, a probability that an event will occur impacting payment of the borrower's loan wherein the event includes at least one of a change in political climate, an increase in interest rate, and a natural disaster.

24. (previously presented) A system according to Claim 7 wherein the event includes at least one of a change in political climate, an increase in interest rate, and a natural disaster.

25. (previously presented) A computer according to Claim 15 wherein the event includes at least one of a change in political climate, an increase in interest rate, and a natural disaster.

26. (previously presented) A method according to Claim 1 wherein predicting a payment behavior for a borrower further comprises predicting a payment behavior for a borrower of a non stationary asset-based loan included within a distressed loan portfolio utilizing a collections model that is based on historical payment information of the borrower, wherein the historical payment information of the borrower includes information relating to the payment of the loan by the borrower for a period of no more than six-months prior to a last payment due date of the loan.

27. (previously presented) A method according to Claim 1 further comprising the step of initiating another collection strategy with respect to the borrower when after initiating the at least one of the plurality of collection strategies the borrower's payment behavior does not correspond with the borrower's predicted payment behavior.



28. (previously presented) A system according to Claim 7 wherein the historical payment information of the borrower includes information relating to the payment of the loan by the borrower for a period of no more than six-months prior to a last payment due date of the loan.

29. (previously presented) A system according to Claim 7 wherein said server is configured to prompt a user to initiate another collection strategy with respect to the borrower when after initiating the at least one of the plurality of collection strategies the borrower's payment behavior does not correspond with the borrower's predicted payment behavior.

30. (previously presented) A computer according to Claim 15 wherein the historical payment information of the borrower includes information relating to the payment of the loan by the borrower for a period of no more than six-months prior to a last payment due date of the loan.

31. (previously presented) A computer according to Claim 15 wherein said computer is programmed to prompt a user to initiate another collection strategy with respect to the borrower when after initiating the at least one of the plurality of collection strategies the borrower's payment behavior does not correspond with the borrower's predicted payment behavior.